

4 September 1974

MEMORANDUM FOR: D/DCI/IC

SUBJECT : The IC Program

1. The following responds to your question of yesterday as to where the IC Staff should be focusing its attention. My ideas in the "initiative" area are personal and are submitted primarily to provide a basis for discussion.

2. I see the IC tasks as falling in three general areas:

a. "bread and butter" efforts, primarily publications, which individually are of considerable importance to the DCI Community program;

b. a series of continuing actions which are fairly routine much of the time but to which considerable interest may attach on occasion; and,

c. a very few major initiative areas on which emphasis needs to be focused.

3. The "bread and butter" matters include the DCI's:

National Foreign Intelligence Program
Recommendations (annual)

Congressional presentations in defense
of the President's budget

Objectives for the Intelligence Community (annual
for the upcoming fiscal year)

Perspectives for Intelligence (an annual five-year
projection)

Annual Report to the President (which also goes to PFIAB)

In-depth studies of important collection and processing systems (e.g., the Imaging Systems Mix Study)

In-depth examination of the performance of the Intelligence Community in crisis situations (e.g., the postmortem on the 1973 Arab-Israeli war)

4. Individual projects of a continuing nature occupy a considerable part of IC Staff time, and on those occasions when circumstances focus DCI attention on a particular matter these projects can acquire considerable importance. Examples in this area of IC activity include:

- Participation in the budget review process for major intelligence programs
- Revision of NSCIDs and DCIDs
- Providing support for the IRAC
- Preparing progress reports on the DCI
- Objectives for the Intelligence Community
- Participating in the "Key Intelligence Questions Evaluation Program"
- Monitoring intelligence inputs to the Commission on the Organization of the Government for the Conduct of Foreign Policy (Murphy Commission)
- Preparing PFIAB presentations for the DCI
- Developing NSCIC agenda items and briefing books

5. In the "major initiatives area" the following are my candidates.

a. Improving intelligence support to policy makers and military force commanders in crisis situations.

(1) Considerable along this line has been pursued in several IC actions but much remains to be done in order to assure a Community-wide recognition of the changes which still are necessary in order to respond to the expectations and requirements of important users of intelligence. The problem needs to be looked at overall, weak spots identified, and corrective action undertaken. Among the matters to which attention needs to be given are:

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(a) Assuring the identification of trends indicative of a developing crisis -- and thereby making possible strategic warning -- and insuring that this intelligence reaches the proper recipients.

(b) Utilizing secure communications and other devices to enable real-time analytic inputs at the onset and during crisis situations.

(c) Responding to criticism from users that they are flooded with repetitive factual reporting in crisis situations rather than provided with needed interpretative analysis.

(d) Ensuring that in situations in which military forces are alerted to respond to contingency situations, all necessary intelligence is provided such forces.

b. Developing a methodology and mechanism for providing the DCI assurance that consumer needs for intelligence products drive the activities of the Intelligence Community. This involves a number of related factors:

(1) Insuring a clear definition of consumer needs in some order of priority. For national intelligence, this is both an IC and NIO responsibility.

(2) Creating a prioritized system for statement of requirements based on consumer needs for finished products.

(3) Establishing a mechanism for allocating requirements to the collection system or systems best qualified to acquire the needed information. One problem with the present situation is that personnel involved with particular systems -- SIGINT, Imagery, Human Sources, etc. -- decide what requirements those particular collectors should work against. A mechanism for allocating collection responsibilities would respond to the DCI concern that the Clandestine Service be used only against those requirements which can be attacked by no other source.

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(4) Providing a means for assessing the effectiveness with which each collection system works against its assigned targets.

c. Establishing an "audit trail" from finished intelligence products back through the analysis effort, processing and collection of the data in order to relate resource use with end products and thus enable a meaningful allocation of costs. Such a system would provide a better basis than now exists for judgments on resource use, and in budget development, and would be of particular value in a period like the present when the availability of resources is tightly constrained.

(1) The "Key Intelligence Questions" (KIQ) and the "KIQ Evaluation Program" were intended as efforts in this direction, but even the proponents of these projects are convinced they represent a far from satisfactory approach. The KIQs can be -- and have been -- used to identify intelligence problems of high current policy interest, but many of the individual questions are now so broad in nature that no means of relating them to resources is in prospect.

(2) A basic difficulty with this problem is that the required approach (as I see it) calls for quantifying matters of judgment and many intelligence officers oppose such a procedure on the ground that it is simplistic and arbitrary.

(3) An approach which I consider feasible would be to start with the comprehensive list of intelligence topics and the numerical priorities assigned by country to these topics in DCID 1/2, "U.S. Foreign Intelligence Priorities." The analysis could be limited to only those topics on which Priority 3rd or higher are involved since this would cover a large proportion of the total resource use by the Intelligence Community. Against these priorities could be matched value scales representing:

- The degree to which information is already available
- The difficulty of acquisition of new or additional information

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- The frequency with which information update is required
- The "unit cost" of acquiring specific kinds of information

Obtaining agreement on the numerical values involved in these scales would be difficult, but the end result would be data which could be computer-manipulated to obtain measures of the overall priority (need) of the end product as against the cost of acquiring and handling the requisite data. CIRIS data would have an important role in this kind of analysis. The gamble, of course, is the extent to which senior intelligence officials would have enough confidence in the end product to put the findings to practical use in actual resource allocation. Without such application it would be difficult to justify the continuing effort which would be required to maintain currency in the data.

(4) Careful consideration of the "audit trail" problem may identify other kinds of approaches. A simple, easy route toward a solution of this problem does not appear likely, but seeking a solution should rank high in the IC priorities.

d. Develop a plan of action for Intelligence Community presentation of five-year budget programs in anticipation of the Congressional requirement that such out-year planning information will be required beginning in FY 1977.

6. A "dark horse" in the initiative area is the national/tactical interface study which is already underway. DCI attention to this effort has been stimulated by the OMB-sponsored White House interest in the topic, but the DCI also recognizes the Pentagon reluctance to having him involved in budget-related matters affecting the intelligence-related organizations and equipments used to support the operational readiness of field forces. If the ongoing study results in anything approaching a "breakthrough" from which appreciable savings in resources could emerge, the importance of the project will increase markedly.

a. A key result would be identification of ways and means of using the same intelligence systems to

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serve both national and tactical requirements, with consequent financial savings.

b. Another result could be a clear differentiation between national and tactical assets in such a way that budget defense for each type can be clearly rationalized.

7. Attention also needs to be given to an overview of the oncoming "K" system to assure that all aspects have been covered, particularly with regard to processing, analysis and dissemination. This proposal may appear redundant in view of the attention which has been directed to this system, but the costs involved and the consequent almost inevitable tradeoffs which will have to be made with other intelligence programs give this program a very major importance in planning for future resource application.

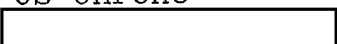
8. As I indicated at the beginning of this memorandum, these proposals are no more than an initial rough cut, intended more to stimulate discussion than to present a detailed program.



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